Agenda Item 8: Measurement

Dave Warren, Principal

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Agenda Item 8—Measurement

Project Background

**How Do You Calculate the Measurement Bases**
(Consultation Phase)

**IPSAS, Measurement**
- Objective and Scope
- Definitions
- Measurements Bases
  - Applications Guidance
    - Fair Value
    - Fulfillment Cost
    - Historical Cost
    - Replacement Cost
- Basis for Conclusions

**Which Measurement Basis Do You Use**
(Exposure Draft Phase)

**Other IPSAS**
- IPSAS 12, Inventories
- IPSAS 16, Investment Property
- IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets
- IPSAS 41, Financial Instruments

Which measurement bases should be applied in measuring the economic resource?
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Illustrative Exposure Draft

Consultation Paper including Illustrative ED, Measurement

ED, Measurement, including consequential amendments

IPSAS, Measurement and amendments to other IPSAS
• Staff are of the view this approach is beneficial for select projects going forward. Given the responses noted, does the CAG agree?
## Agenda Item 8—Measurement

### Borrowing Costs

<table>
<thead>
<tr>
<th>Borrowing Costs</th>
<th>Current IPSAS</th>
<th>Preliminary View</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly attributable to acquisition, construction or production of qualifying asset</td>
<td>Expense or capitalize</td>
<td>Expense</td>
</tr>
<tr>
<td>Interest and other expenses incurred by an entity in connection with the borrowing of funds</td>
<td>Expense</td>
<td>Expense</td>
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Borrowing Costs - Question to the CAG

Question 2

- Are there any public interest considerations the IPSASB should take into account when evaluating the two approaches?
- Is there another approach the IPSASB should consider?
Limited-Scope Review of the Conceptual Framework

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Link between projects

- Market value
- Replacement cost
- Other measurement bases

Public Interest to run projects in parallel

- Consistent guidance
- Consistent analysis
- Address issue congruently
Limited-Scope Review of the Conceptual Framework - Question to the CAG

Question 3

• Do Members of the CAG believe the IPSASB has adequately addressed the public interest by operating the Limited-Scope Review of the Conceptual Framework project and the Measurement project in parallel?